

# FIS Dry Freight Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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**Market Review:**

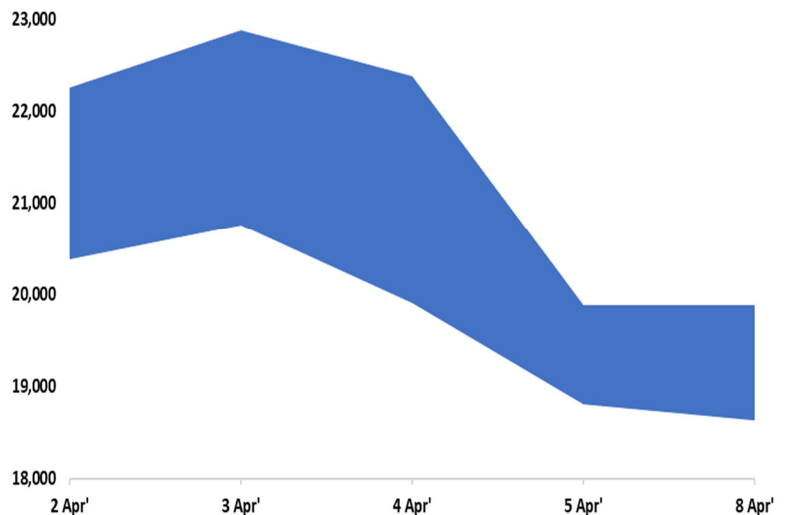
A comparatively low fixing activity and lower volume in the FFAs market last week followed the Easter holiday and the Chinese holiday later in the week, leading to some losses across all vessel sizes. For Capesize vessels, the number of available vessels was absorbed by iron ore miners who were active from the onset of this week. Despite that, the Cape spot rate continued to head south due to a lack of confidence, with many participants away for holidays in Asia and the Far East. Meanwhile, for Panamax vessels, market sentiment seemed less optimistic, with ECSA remaining the sole support factor in the Atlantic region and limited action taking place in the North.

Freight Rate \$/day	8-Apr	2-Apr	Changes %	Short Term	Sentiment
Capesize 5TC	18,226	19,852	-8.2%	Neutral to Bullish	↗
Panamax 4TC	13,665	15,005	-8.9%	Neutral	-
Supramax 10TC	13,835	14,335	-3.5%	Neutral	-
Handy 7TC	13,192	13,737	-4.0%		

**Capesize**

Cape had a negative start last week amid lackluster activity post-holiday, however, better fixtures and increased buying interests in the FFAS market as some shipowners rushed to cover their tonnage before the holidays in Asia and Far East approached, in which we saw positive sentiment return mid-week before the holiday took its toll before the weekend. In terms of demand on a weekly basis, Cape iron ore shipments dropped 2.8% from the previous week, reaching 30.1 million tonnes, with mixed pictures presented in both basins that strong cargo volumes from Brazil were offset by the other key regions. Likewise, coal shipments via Capesize vessels experienced a small decrease of 6.6% to 6.4 million tonnes with lower Indonesian coal shipments, along with bids and offers widening on the Australia to China route. Moreover, minor bulk volumes saw a significant decline of 20.6% to nearly 2.8 million tonnes, indicating a less positive performance across different cargo categories.

Capesize 5TC Rolling Front Month Trading Range



For the fixtures, rates seemed unsettled in the Pacific, the key C5 iron ore route (West Australia to China) started the week at around \$9.60 for mid Apr loading dates, then gradually lifted to the \$10 mark. In the Atlantic, several cargos were fixed lower from West Africa to China, trips from Nouadibhou to Qingdao were fixed at \$25.00 for 15-24 Apr and from Kamsar to Yantai at \$22.65 and then \$24.50 for 23-27 Apr at latter part of week. Out of Brazil, moving iron ore on the C3 route from Tubarao to Qingdao was reported at \$25.00 before slipping a touch to \$24.60 on Friday. Another iron ore cargo from Itaguaí to Qingdao was at \$24.50 for end of Apr dates. Elsewhere, a trip from Seven Islands to Qingdao for 21/23 April was at \$32. The market has not yet found a clear direction at the start of this week with major holidays taking place.

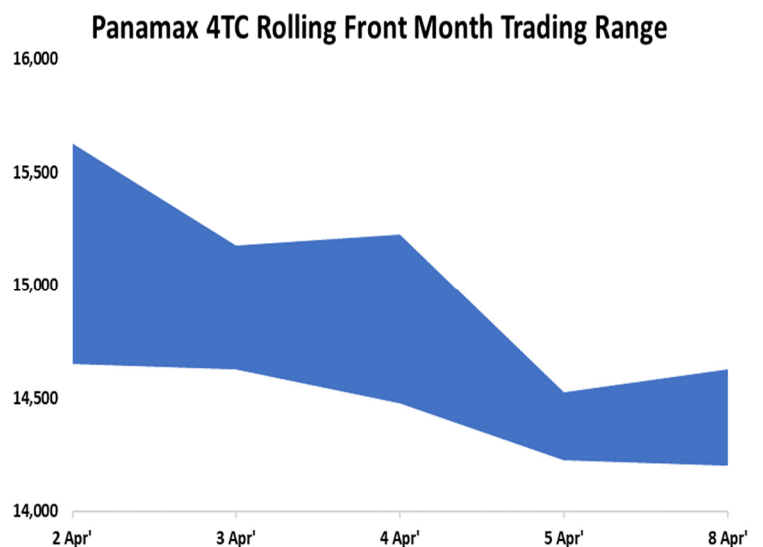
Chart source: FIS Live

FFA: Returning from the Easter holiday, we were met with Q2 trading down from \$25500 in the morning to \$23750 in the afternoon. Similarly, April and Q32 Capes traded down reaching \$20500 and \$25250 respectively on close. Wednesday started off with strong buying activity with April trading up in rapid succession. While the prompt Capes range narrowed a bit until index, both Q3 and Q34 were paid up throughout the day ending at \$27650 and \$27000 correspondingly. Bid support continued progressively trading up to \$22750 for April and \$26000 for Q2 following the index turning positive at \$20,215 (+\$363). In contrast, Thursday bottomed over the course of the day. April traded down from \$23000 to \$20000, Q2 was also down to \$24000 and Q34 similarly, dropped \$1000 at close. C5 saw activity again with April trading \$10.00 and May trading \$10.75 in size. Monday was a bit of a tired start to the week and once early bid support eroded the bulls were left wondering when selling would end. April traded down at \$18750, May traded down at \$24000 and Q3 traded down at \$26000. C5 saw most of the volume with April trading at \$9.20 and May at \$10.15 in 385kt collectively.

Short run neutral to bullish

### Panamax

Following the tone set by Capesize vessels, Panamax ships opened the week on a subdued note, with both basins experiencing limited activity and a lack of fresh enquiry. As the week progressed towards the weekend, fixtures saw further discounts as some ship owners preferred to secure contracts before the upcoming holidays. In terms of cargo volumes, coal shipments by Panamax vessels witnessed a significant decline of over 10% from the previous week's peak, totaling 13.8 million tonnes. Additionally, grain shipments experienced a substantial reduction of over 19% compared to the previous week, amounting to just above 5 million tonnes, marking the second consecutive week of decline.



Regarding fixtures, there were limited fixtures reported from the North Atlantic, standard trips with 82kt of grains via ECSA with redelivery in Singapore-Japan were fixed at \$20,750 before edging higher to \$21,000. Another cargo carrying 84,900 tonnes of coal via USEC with redelivery in India was fixed at \$26,000. In the Asian market, rates slipped lower, with a NoPac round trip carrying grains fixed at \$13,500. Additionally, cargoes carrying coal via Australia with redelivery in South China were fixed at \$16,250, while those from Indonesia with redelivery in India were heard at around mid \$16,000. The week opened on a lower note amid sluggish activity, with no signs indicating that a floor has been found in the market.

FFA: Panamax came under pressure from the start last Tuesday and nothing changed post index as rates continued to slip lower. April and May slipped to \$14600 and \$15750 lows respectively, while June traded down to \$15750 and Q2 printed \$15400 low. Further out, Q3 and Q4 sold off to \$15500 and \$14750 respectively while Cal25 traded down \$13150. Narrow trading range in general on Wednesday of \$300-\$400 across the curve as underlying support was evident throughout the day. Thursday erased the gains made from the day prior as April sold off to a \$14500 low, May and June traded down to \$15759 which resulted in Q2 printing a low of \$15330. Q3 broke \$16k support to print \$15750 and Q4 dropped to \$14600 while further out cal25 traded down to \$13100. Friday saw the curve close marginally up on the day, with the minor gains attributed in large part to the profit taking brought about by a late uptick in gains. Slow start to the week on Monday as May and Q2 printed around Friday's closing levels before being sold gradually throughout the morning and continuing into the afternoon. Little change further out as the prompts took focus.

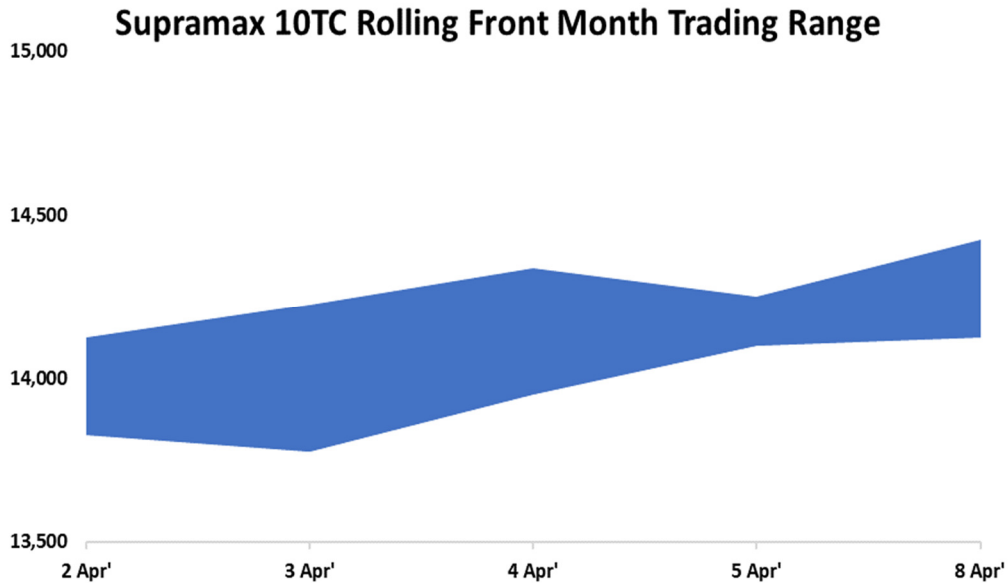
Short run neutral

Chart source: FIS Live

## Supramax

FFA: Strong offers came into the market on Tuesday morning last week before settling in the afternoon. April traded down to \$13800 while Q2 traded down to \$13850. Both the front and back of the curve saw movement as the May-Dec traded down to \$13650. Buyers found strong positions on Wednesday as the front proceeded to trade up in the afternoon and towards the close. May traded up to \$14500 while the Q34 traded up to \$14200, leaving the curve supported on the close. Fast forward to Friday and the market maintained minimal movement as the front fluctuated within \$200. An uneventful day on Monday for supramax as the index came in flat, down 31. April and Q2 traded down to \$14150 and \$14250. Nevertheless, the forward curve closed more supported than Fridays close.

Short run neutral



## FFA Market Indexes

Freight Rate \$/day	8-Apr	2-Apr	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	18,226	19,852	-8.2%	23,834	16,389	16,177	33,333	13,070
Panamax4TC	13,665	15,005	-8.9%	14,113	11,518	8,587	25,562	8,587
Supramax10TC	13,835	14,335	-3.5%	13,051	11,240	8,189	26,770	8,189
Handy7TC	13,192	13,737	-4.0%	12,117	10,420	8,003	25,702	8,003

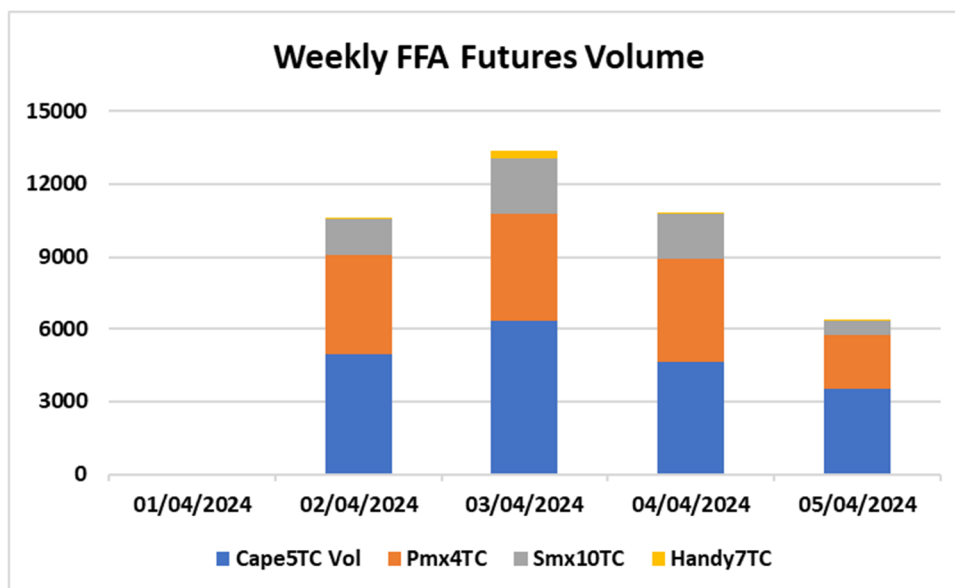
## FFA Market Forward Values

FFA \$/day	8-Apr FIS Closing	2-Apr FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Apr 24	19000	20400	-6.9%	23,000	18,700	37,500	14,500
Capesize5TC Q3 24	26000	25625	1.5%	27,650	25,250	29,500	18,000
Panamax4TC Apr 24	14250	14725	-3.2%	15,625	14,200	27,350	12,250
Panamax4TC Q3 24	15900	15475	2.7%	16,100	15,400	17,100	12,700
Supramax10TC Apr 24	14250	13825	3.1%	14,350	13,700	18,700	12,300
Supramax10TC Q3 24	14400	13600	5.9%	14,450	13,500	15,650	12,600

Data Source: FIS Live, Baltic Exchange

## FFA Market

As it's a four-day week post Easter, FFAs saw comparably less volumes changing hands during the week. In a weekly total, nearly 42,300 lots cleared on futures and 4,300 lots on options. The majority of the volumes were on the larger sizes; seeing Capes and Panamax futures trading around 3,890 lots and 3,020 lots per day last week; Supramaxes followed behind with an average of 1,240 lots traded daily last week. A subdued week for options, just around 900 lots and 3,400 lots being cleared on the Cape and Panamax, respectively. As we moved to second week of Apr, more activity was shifted to the Q3'24 contract, along with the primary contracts Apr, Q2'24 and Cal25 contracts. Open Interest increased as positions extended to further months, on 8th Apr, Cape 5TC 172,877 (+3,500 w-o-w), Panamax 4TC 173,849 (+3,470 w-o-w), Supramax 10TC 82,145 (+1,250 w-o-w). In addition, decent interest also seen on the voyage routes C5, with 2.185 million tonnes changing hands on Apr and May.



## Dry Bulk Trades/Iron Ore

Iron ore shipments edged lower to 33.3 million tonnes, down 1.8% w-o-w, as activities slowed down at the latter part of the week. Brazilian exports soared by 37.3% to reach 8.1 MMT with its exports to China surpassing the high level of the six year seasonal level. Likewise, shipments from Australia to China also stayed above the seasonal level, although it experienced a small decline of 3.5% to just under 17.2 MMT, compared with the total Australian iron ore shipments of 19.2 MMT (-8.1% w-o-w). Other than that, exports from South and West Australia stayed largely unchanged from the previous week, totalling 1.6 MMT. On the demand side, seaborne volumes destined for China increased for the fourth consecutive week, ticking up 1.6% over the week and reaching 26.7 million metric tonnes.

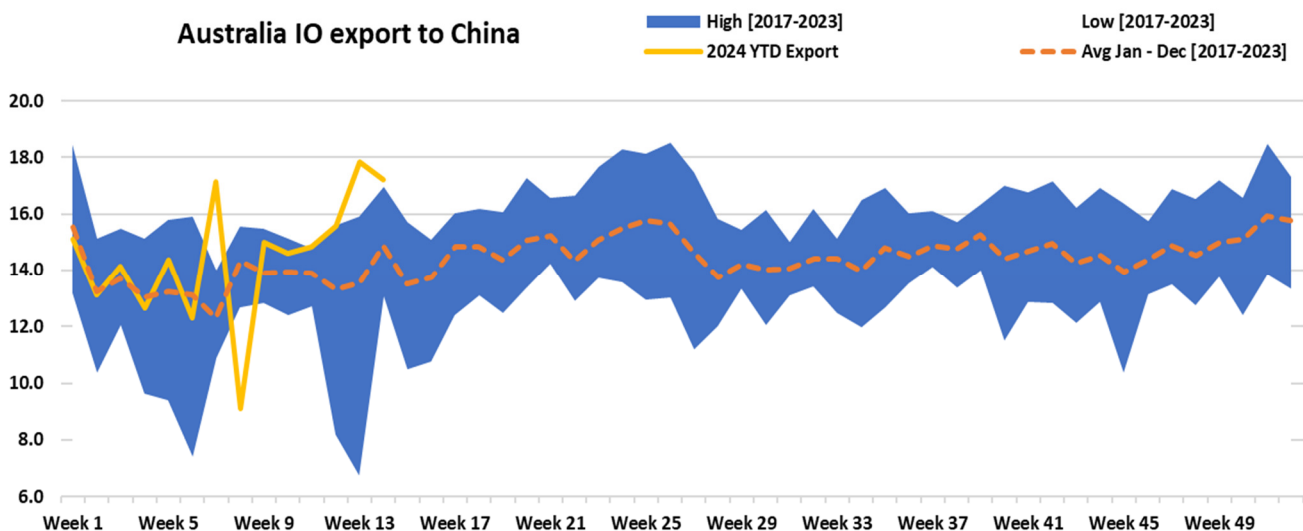
### Dry Bulk Trades/Iron Ore

Export (million tonnes)	Feb-24	Jan-24	Q4-23	Q3-23	Q2-23	Q1-23	2023	2022	2021
Australia	65.3	74.8	244.3	235.5	239.0	227.8	946.6	935.9	923.0
Brazil	29.2	27.7	103.4	103.6	92.1	72.9	372.1	344.6	353.3
South Africa	4.7	4.6	14.2	13.2	13.6	14.4	55.4	56.5	60.0
India	5.3	6.7	13.7	9.1	10.2	12.3	45.3	15.9	36.9
Canada	4.2	4.2	16.9	17.4	13.8	13.2	61.3	57.3	57.1
Others	14.6	15.5	50.4	46.8	44.7	42.0	183.8	177.5	201.8
<b>Global</b>	<b>123.3</b>	<b>133.6</b>	<b>442.8</b>	<b>425.7</b>	<b>413.4</b>	<b>382.6</b>	<b>1664.5</b>	<b>1587.8</b>	<b>1632.0</b>

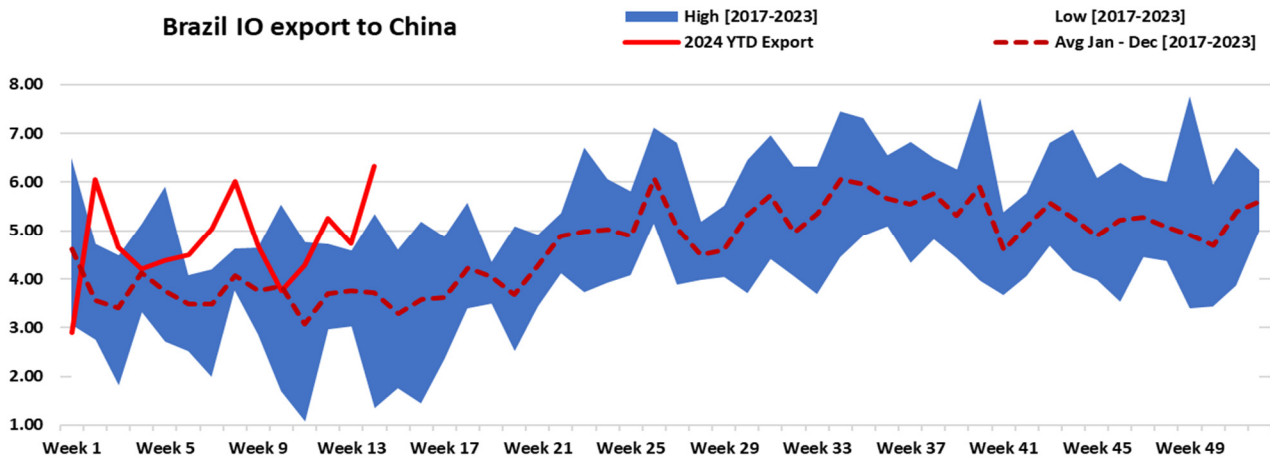
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	17.2	17.8	-3.5%	8.96	9.64	-7.1%
Brazil-China	6.3	4.7	33.6%	24.35	23.69	2.8%

### Seasonality Charts



### Brazil IO export to China



## Dry Bulk Trades/Coal

During the previous week, coal shipments experienced a decline of 5.3%, totaling 27.5 million tonnes. Among the total, the supply from Australia witnessed a significant slump of 13.5%, reaching 6.8 million metric tonnes. This decline was primarily attributed to lower demand from key export regions, including JKT at 3.6 MMT (-29.3% w-o-w) and China 879kt (-56.0% w-o-w), representing a significant decline of 56.0% w-o-w. However, there was robust demand from India, with its total coal imports reaching 1.4 million tonnes (+34.3% w-o-w). Conversely, shipments from Indonesia experienced a relatively modest decline of 4.6% from the previous

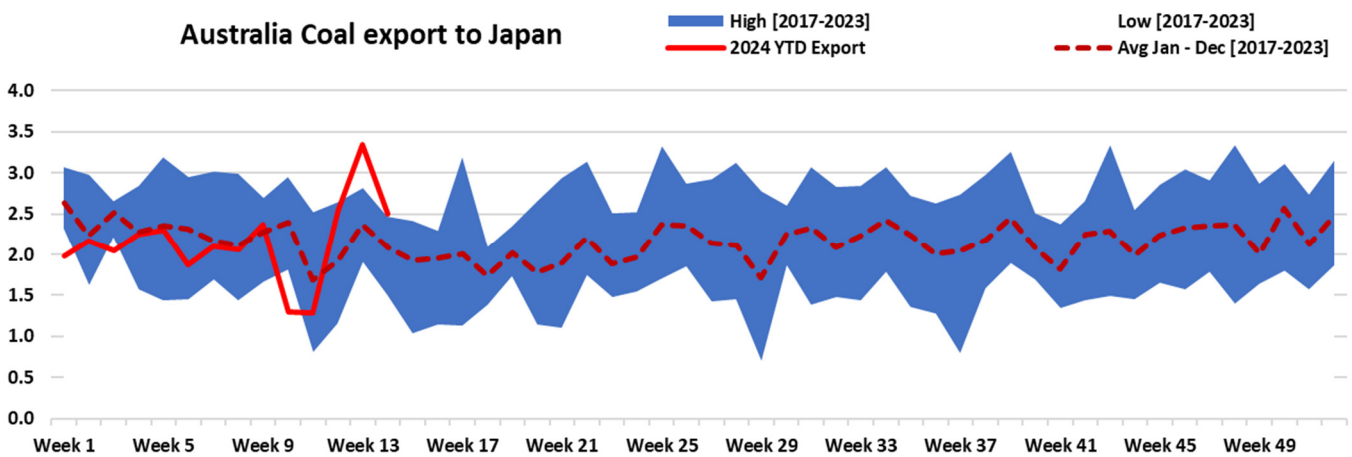
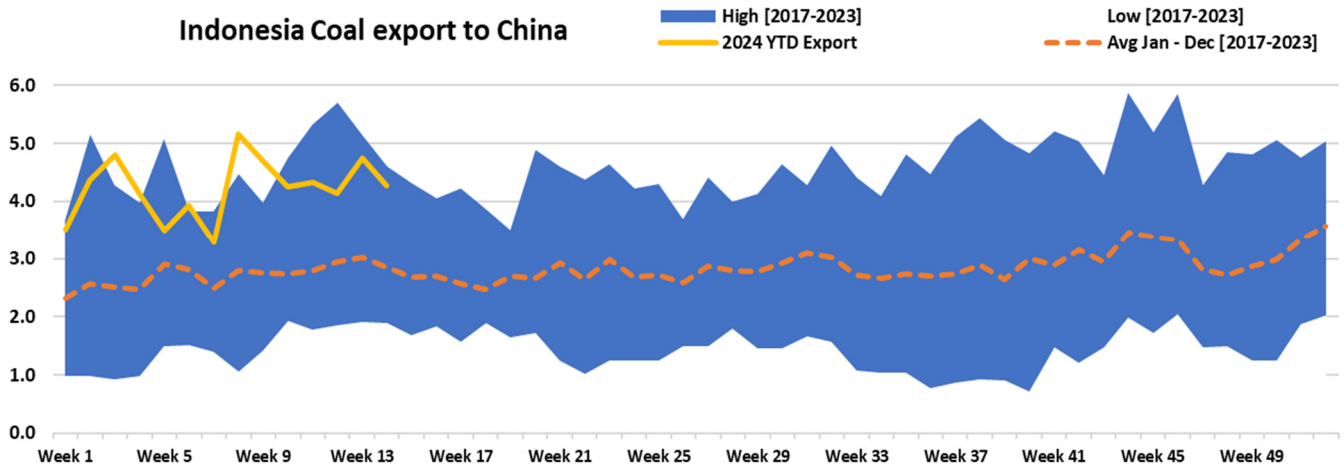
### Dry Bulk Trades/Coal

Export (million tonnes)	Feb-24	Jan-24	Q4-23	Q3-23	Q2-23	Q1-23	2023	2022	2021
Indonesia	43.8	40.2	143.4	123.2	121.0	120.4	508.0	462.2	415.2
Australia	28.2	28.7	94.9	88.1	93.1	79.4	355.6	339.2	368.4
Russia	11.6	11.1	39.0	46.7	51.3	48.3	185.3	192.5	172.1
USA	7.6	6.8	21.2	19.5	20.2	20.0	80.9	69.5	68.6
Colombia	4.7	4.9	16.3	15.7	14.6	12.5	59.2	61.0	60.7
South Africa	5.0	5.0	16.0	14.9	15.8	15.3	62.0	61.6	62.0
Others	51.9	48.6	172.9	149.5	148.1	144.1	614.6	556.0	501.3
<b>Global</b>	<b>109.1</b>	<b>105.2</b>	<b>360.3</b>	<b>334.4</b>	<b>343.2</b>	<b>319.7</b>	<b>1357.6</b>	<b>1279.8</b>	<b>1233.1</b>

### Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	4.3	4.8	<b>-10.2%</b>
Australia-Japan	2.5	3.3	<b>-25.4%</b>

## Seasonality Charts



## Dry Bulk Trades/Agri

Due to much lower shipments from the key supply, last week's global shipments experienced a noticeable decline of 14.6%, totaling 11.0 million tonnes, according to data from IHS Markit Commodities at Sea Service. Breaking down the data, shipments from the East Coast of South America (ECSA) experienced a steep decline of 22% over the week, amounting to 4.9 million tonnes. Correspondingly, exports to China from ECSA also saw a decrease from the previous high, with total shipments reflecting a weekly increase of 20%, totaling 2.4 million tonnes. Additionally, shipments from the United States showed fewer positive results, with the weekly volume decreasing for the third consecutive week to 2.1 million tonnes, marking a decline of 14.6% w-o-w. Out of Australia, weekly shipments plummeted by over 34%, falling below 500kt.